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SOURCE Allam es Igazgatás, Vol IV, No 3, 1952.JURISDICTION OF NEW HUNGARIAN MINISTRIES

Szatmari, Pecsvaradi, and Berenyi (fnu)

Under Decree No 1 of 1952 of the Presidential Council, a number of new ministries has been created. In contrast to the regimenting character of ministries in capitalistic countries, the ministries of the Socialist state are engaged in creative work. Most ministries, the so-called economic ministries, direct and supervise the various branches of national economy and since the pattern of Socialist building constantly changes, the ministries also change. Changes in the branches of national economy are accompanied by changes in the directing organs.

In outlining the tasks of the new ministries, more space has been devoted to the Ministry of Local Industries and the Ministry of Produce Collection because local authorities will be affected directly by the operations of these two ministries. Explanation of the functions of the new ministries follows.

Ministry of Medium Heavy Machine Industry

From 1945 to 1948 the Ministry of Industry had jurisdiction over all industrial enterprises. Rationalization of economic enterprises was accompanied in 1949 by the division of the Ministry of Industry into the Ministry of Heavy Industry and the Ministry of Light Industry. Subsequently, in 1950, the Ministry of Heavy Industry was split into the Ministry of Mining and Power and the Ministry of Metallurgy and Machine Production.

Due to the gradual growth of heavy industry, it became necessary to create a new organ, the Ministry of Medium Heavy Machine Industry. As stated by Erno Gell, "Hungary produced four times as many machines in 1951 as in 1938, and the manufacture of machine tools has grown to be an important and independent branch of the machine production industry."

- 1 -

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Ministry of Building Materials

This new ministry assumes jurisdiction over the manufacture of building materials which were previously the responsibility of the Ministry of Building. In 1946, the Ministry of Building and Public Works was created and was subsequently renamed the Ministry of Building following nationalization of the enterprises which it supervised. It had jurisdiction over building regulations and over enterprises engaged in building activities and the manufacture of building materials.

The jurisdiction of the new Ministry of Building Materials will include brick, tile, lime, concrete, and cement manufacture (detached from the Ministry of Building); stone and gravel quarrying (from the Ministry of Communications and Postal Affairs); and fine ceramics and glass manufacture (from the Ministry of Light Industry). The new ministry will embrace all enterprises engaged in the production of building materials, with the exception of small brick and lime kilns operating under local councils and, indirectly, under the Ministry of Local Industries. It will consist of administrative departments and directorates supervising the individual enterprises.

Ministry of Food Industry

The increase in the general standard of living and in food production led to the creation of this ministry and the separate administration of food producing industries.

In 1949 food-producing industries were placed administratively under the Ministry of Light Industry and functionally under the Ministry of Agriculture. The latter subsequently transferred its directing functions to the Orszagos Kozellatas Hivatal (National Office of Food Supply.)

The Ministry of Light Industry directed the operations of, among others, the tobacco, sugar, alcohol, beer, malt, sweets, starch, mineral and soda water, canning, and meat-packing industries. It will be seen from the mere enumeration of these industrial branches how enormous was the responsibility of this ministry.

The next development was the creation of the Ministry of Food Supply, which represented another step in the specialization which had originated in the heavy and light industries. The jurisdiction of the Ministry of Food Supply included the food-producing industries and the purchase of compulsory agricultural deliveries. Collection and processing were thereby coordinated, and the bases of the new system of collection were laid.

As a result of further development, it was possible to separate the supervision of collection from that of food-processing industries. Accordingly, the Ministry of Food Supply has been divided into the Ministry of Produce Collection and the Ministry of Food Industry. The jurisdiction of the latter will embrace the canning, paprika, meat and poultry-processing, vegetable oil, household chemicals, milk, refrigeration, sugar, sweets, flour-milling, baking, beer, malt, alcohol, starch, and tobacco industries. These industrial branches will be under the jurisdiction of specialized directorates in the ministry.

Ministry of Local Industries

The task of local industries is to supply the local population with household articles, maintenance, and other services. Without well-developed local industries the requirements of the population cannot be satisfied. Furthermore, local industrial enterprises and artisans' cooperatives have not only an economic but also a political task, i.e., to draw the independent artisans into Socialism.

- 2 -

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In the USSR, the raw materials of the local industries are largely derived from the scrap accumulated in large industries and from local sources. Their principal defects are that they are not serving the local population and are processing raw materials which can be used by large-scale industry. These defects are inherent in the directing agencies. The Hungarian local industries are under the direct supervision of the local councils, which have either devoted little attention to the expansion of local industries or have followed wrong policies.

The local industrial enterprises and the cooperatives are supervised indirectly by various ministries, which have failed to issue uniform directives. In this respect, the creation of the Directorate of Local Industries (Decree No 12 of the council of Ministries, dated 9 January 1951) under the Ministry of Interior represented a long step forward.

Under the guidance of the directorate, the local industries and artisans' cooperatives have grown to be an important economic factor. As a result of their expansion, as well as of their important tasks, the local industries and artisans' cooperatives have outgrown the limited scope of the directorate and have now been placed under the jurisdiction of a new ministry, the Ministry of Local Industries. This ministry directs the bulk of the industries under its jurisdiction through the local councils. For this reason the local councils will receive technical aid from the new ministry. Following the Soviet pattern, the Ministry of Local Industries will include functional departments, a number of directorates, and a technical council which will serve in an advisory capacity.

Ministry of State Farms and Forests

Although the state-owned farms have a total area of 700,000 cadastral yokes, they are, as pointed out by Matyas Rakosi, far from meeting the demands made on them [deficiencies not specified]. The new ministry will supervise the state farms and forests, the fisheries, canebrakes, and certain enterprises which serve the state farms and forests directly (e.g. [their own] building enterprises). It will also direct the Scientific Institute of Forestry and the training of foresters and game and fish wardens. The new ministry will cooperate closely with the Ministry of Agriculture, and the latter will retain jurisdiction over animal hygiene, plant protection, the planning of crops and stock breeding, agricultural experimentation, training farms, and afforestation.

The creation of the Ministry of State Farms and Forests was accompanied by a reorganization of intermediate management organs. The megye centers which supervised the state farms were obsolete and have been displaced by new directing organs, the trusts. For the most part these are plant and stock-breeding trusts, while a small number of trusts is engaged in the supervision of cotton, fruit, grapes, and rice production. The trusts which direct the state farms are coordinated under the Directorate of State Farms in the new ministry. The directorate is, in turn, subdivided into subordinated directorates according to geographical regions and partly also by branches of production. The state forests, fisheries, canebrakes, and the game administration have been placed under the jurisdiction of the Directorate of State Forests which also consists of several subordinated directorates according to geographical regions.

Ministry of Produce Collection

Collection and redistribution of agricultural products were originally the task of the Ministry of Food Supply and later, after the abolition of this ministry, of the National Office of Food Supply which operated under the jurisdiction of the Ministry of Agriculture. Besides the collection and redistribution of agricultural products, the office also directed the food-producing industries.

- 3 -

RESTRICTED

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The National Office of Food Supply was also subsequently abolished and its tasks were redistributed; collection of agricultural products was placed under the direction of the Ministry of Interior and the supervision of food-producing industries under the direction of the Ministry of Light Industry.

During the very first year of the Five-Year Plan it became evident that Hungary's agriculture lagged behind the rapid development of industry. The number of factory workers has increased enormously, and industry also has absorbed the reserve manpower of rural areas. Purely on the basis of compulsory surrender quotas, agriculture was incapable of supplying the necessary amount of products, especially in view of the facts that a large percentage of the land is still farmed by independent peasants, and counterrevolutionary elements have focused their activities on the food supply. To assure the necessary volume of food for current consumption, sufficient government-controlled stockpiles, and an exportable surplus, the system of compulsory surrender of agricultural products had to be widened. For this purpose the Ministry of Food Supply was created in 1950 to direct the collection of agricultural products and the food-producing industries.

Subsequently, it appeared, however, that the Ministry of Food Supply was not equal to its dual task. Planning, supervision, and administration of collection were incompatible with direction of an industry. Consequently, an independent Ministry of Produce Collection has been created. Its jurisdiction embraces all tasks in connection with the collection of agricultural and gardening products, livestock, animal products, poultry, eggs, milk, and wine. The ministry also directs the activities of trusts, associations, centers, enterprises, trading association, etc.). Certain supervisory tasks are divided between the Ministry of Produce Collection and the Ministry of Food Industry. For example, the milk-collecting, as well as the poultry and egg-collecting, establishments are under the jurisdiction of the Ministry of Produce Collection, while the further processing of these products is directed by the Ministry of Food Industry. It may be added that organization, supervision, and administration of produce collection on the operational level is the responsibility of the local councils. The over-all direction of the local councils in these operations is, however, the task of the Ministry of Produce Collection.

Ministry of Transportation and Ministry of Postal Affairs

The Ministry of Transportation and Postal Affairs has been abolished and its tasks have been assigned to these two new ministries. The responsibilities of the Ministry of Transportation include the direction of railroads, highway transportation, navigation, and aviation, as well as of underground construction. The Ministry of Postal Affairs will have jurisdiction over postal, telegraph, telephone, and radio communications.

Conclusion

Soviet experience has been utilized extensively in the organization of the above new ministries. A new feature is the gradual elimination of functional organs and the creation of directorates for geographic regions. Soviet experience shows that the system of functional organs introduces difficulties into the direction of industrial branches and lessens exclusive responsibility in enterprise management. On the other hand, the system of direction organized according to producing areas centralizes responsibility in the ministry concerned and makes it the real director of the supervised enterprises. The functional organs are relieved of directing activities and perform advisory, preparatory, and supervisory functions. Expansion of production will be the task of the directorates on the basis of independent profit and loss accounting.

- 4 -

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The Ministry of State Farms and Forests is organized on the basis of producing branches broken down according to geographical areas. A single directorate is in charge of all enterprises producing goods of identical or similar kinds in a certain area.

The work of the industrial ministries is supported by a new organ, the Technical Council, which operates outside of the jurisdiction of the ministries. The task of the Technical Council consists of rendering advice and formulating recommendations in connection with technical problems encountered by the ministries. In matters which concern several industrial branches, the Technical Council discusses its proposals with the industrial branches concerned.

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- 5 -

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